

## FOREWORD

Welcome to the State Community Development Block Grant (CDBG) program. This program was established by the federal Housing and Community Development Act of 1974, as amended (42 USC 5301, et seq.). Subsequent legislation and regulations (Omnibus Budget Reconciliation Act of 1981 - Public Law 97-34, and 24 CFR Part 570, Subpart I) allowed states to administer the program for smaller cities and counties. In 1982, California's Executive Branch and Legislature agreed that the State should administer the program and assigned this responsibility to the Department of Housing and Community Development. The State CDBG program is implemented by the California Health and Safety Code section 50825, et seq. and the California Code of Regulations (Title 25, Section 7050, et seq.).

The primary federal objective of the CDBG program is the development of viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. "Persons of low and moderate income" or the "targeted income group" (TIG) are defined as families, households, and individuals whose incomes do not exceed 80 percent of the county median income, with adjustments for family or household size.

Each year, CDBG program makes funds available to eligible jurisdictions through several allocations: General and Native American, Economic Development, Planning and Technical Assistance, and Colonias. Notices of Funding Availability (NOFAs) are published for each allocation as the funds become available. Successful applicants enter into contracts with the State to complete the specified activities with the grant funds.

The Department has prepared this Grant Management Manual to provide information and forms necessary for program grantees to successfully complete their grant-funded activities in compliance with their contract and State and federal requirements. We hope it accomplishes this goal and welcome any recommendations for future improvements and updates.

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## PURPOSE OF MANUAL AND HOW TO USE IT

This Manual was prepared to guide CDBG grantees and other interested parties through the CDBG contract from the time of grant award to contract close-out and the tracking and use of program income. This Manual should help readers understand the program requirements, how to obtain grant funds, and how to fulfill contractual obligations and complete local community development projects. A Supporting Materials by Chapter Index is included at the end of the Manual.

In this Manual, "grantee" and "you" refer to the city or county CDBG grant recipient, "Department" refers to the California Department of Housing and Community Development, and "HUD" refers to the United States Department of Housing and Urban Development. The Standard Agreement with the State is commonly referred to as the "contract."

Most chapters are divided into the following sections:

- I. **INTRODUCTION** provides a brief summary of the chapter's contents.
- II. **GRANTEE RESPONSIBILITIES** describes the required actions of grantees to fulfill the legal mandates and contractual obligations.
- III. **COMMON PROBLEMS** highlights commonly seen errors in the area of responsibility, to help grantees avoid them.
- IV. **DEPARTMENT'S ROLE** describes the Department's actions in assisting and overseeing grantees in completing their responsibilities.
- V. **REFERENCES** lists applicable laws and regulations governing the actions discussed in the chapter. Current State and federal regulations governing the program are included in Appendices A and B. Copies of most other laws and federal documents referenced are available at law libraries or at the Department.
- VI. **SUPPORTING MATERIALS** includes the required forms and various sample documents and other references grantees may need to fulfill their responsibilities. (See the Forms/Documents Index at the back of the manual.) Keep these in the Manual as "originals" and photocopy them as needed for use throughout the contract term. Many of the forms are also available on disk from the Department or on the Department's Web Page (CDBG Grant Management Manual and Reporting Forms) at [http://www.hcd.ca.gov/ca/cdbg/gmm/far\\_forms.html](http://www.hcd.ca.gov/ca/cdbg/gmm/far_forms.html).

